

TRADE FACILITY NO. 1 2008

Sub:- **Container Freight Station of M/s. Falcon Infrastructure Ltd.**, at Udyogamandal (Eloor village) - Procedure to be followed in respect of import, export cargo and the movement of Containers into and out of the Container Freight Station- Procedure – Regarding.

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Attention of all importers / exporters / CHAs / Steamer Agents/Trade/Public is invited to this Custom House Notification No. 10 and 11/2007 both dated 18.12.2007 notifying the limits and boundaries of premises of M/s. Falcon Infrastructure Ltd., Udyogamandal (Eloor Village) as Customs Area for setting up of a Container Freight Station (CFS) and appointing M/s Falcon Infrastrucure Ltd., as Custodian of import / export cargo. The working hours of the CFS will be from 10 AM to 5 PM. The following procedure shall be followed for import, export and movement of containers into and out of the Container Freight Station. These instructions should be read with the existing instructions as applicable and issued by the department under various provisions of Customs Act / Rules / Regulations / Circulars etc., and these are meant to supplement the existing instructions and not to substitute them.

IMPORT

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1. The CFS is authorized to deal with FCL and LCL import cargo. The FCL Containers shall be stored only at the designated place in the CFS which shall be distinctly separated from export / empty containers in the CFS.
2. The importer will execute bond with appropriate security interms of the existing instructions of the Board. The Superintendent (Prev.) shall at the end of every month should verify the sufficiency of bond / B.G based on the amount of cargo stored at that point of time and if any extra amount of bond / B.G is required, the same should be immediately brought to the notice of A.C(I&B) and A.C (Docks).
3. For any import goods to be moved to the CFS from Docks or any other notified customs area the transshipment permission from the authorized officer shall be obtained by the applicant as per the existing procedure from movement of import cargo to CFS. No import cargo will be allowed to enter the CFS without a valid transshipment permit by the proper officer. The Docks officers and the officers of container cell will continue to monitor the movement of the containers to the CFS as per the existing procedure. The proper officer can deny transshipment to any class or type of goods keeping in view the facilities required for storing / handling such kind of goods at CFS or the space available for storing such kind of goods in the public interest.
4. The gate officer in Docks in addition to other documents, shall verify the container number and seal as per the transshipment permission and endorse the out-time at the gate for each container. The applicant for transshipment shall ensure that the containers reach the CFS within 90 minutes of the out-time at Docks gate. They shall immediately on

reaching the CFS report to the Supdt., / P.O of the CFS who will verify the intactness of seal and the time taken for movement from docks to CFS. In case of any seal tampering the same should be immediately be recorded in writing in the presence of applicant and CFS representative and at the same should be reported to the A.C (Docks) for further necessary action. The container can be sealed with a bottle seal for the interim period.

5. In case the transit time is more than 2 hours an explanation should be obtained from the applicant for transshipment on the reasons for the delay and the same should be put up to the A.C (Docks), who should verify and condone the delay if the reasons are bonafide.

6. The Supdt., / P.O posted at CFS will keep a record of all containers received and allowed out of charge. They will forward necessary landing report to the container cell / Docks office to close the entries. They shall also get a weekly statement of containers permitted for transshipment to the CFS and tally with the register maintained at the CFS to ensure that all containers released from the docks are received at the Container Freight Station. At the end of every month a physical verification of containers with book balance shall be made and report to this extent is sent to A.C (Prev.,) with a copy of A.C(Docks).

7. At the Container Freight Station, the CFS operator will maintain a detailed register indicating the receipt of the containers with all the relevant particulars relating to the consignments like container number, transshipment permit number, IGM number, line number, size of the container, name of the importer etc., The CFS operator will also maintain complete account of the receipt, destuffing, clearance of import goods and removal of empty containers. They should on demand at any time, provide the register for Customs scrutiny, They will also give a weekly statement to the Asst. Commissioner of Customs (CFS) indicating the total number of containers received, the numbers of containers cleared and the balance pending. A physical verification should also be conducted every week and report to be submitted to the Supdt., / P.O. to that extent.

8. As far as LCL cargo is concerned, the CFS operator should apply to the Supdt., / P.O. for destuffing permission. The destuffing will be done under the direct supervision of Supdt./ P.O. and the cargo will be stored at the designated place for LCL import cargo in the shed. Destuffing should be allowed only for the cargo manifested as LCL in the IGM. In case destuffing is required for other cargo which is not manifested as LCL, the permission of A.C (Docks) should be taken. An account of LCL cargo should be maintained separately both by the custodian and the Supdt. / P.O. This record should also indicate the container number in which the cargo was brought, IGM number, Line number, date of destuffing, condition of packages, shortage /excess etc., At the time of destuffing if there is any discrepancy between the B/L and the cargo the same should be reported to A.C (Docks) for necessary action. The cargo pertaining to individual line of an IGM should be stored at one place and the identity of the place (like bay / row

number) should be mentioned in the register. The Supdt., can disallow destuffing of goods of any particular type or class in public interest.

9. It should be ensured that any cargo seized / detained by investigating agencies like SIIB / DRI is separately stored from the normal cargo. Similarly the valuable / hazardous cargo also should be segregated and stored separately. No separate rent / handling charges can be charged by the custodian for such cargo from the seizing authorities.

10. The E.O / A.O posted at the CFS will examine the cargo as and when the relevant bills of entry are presented by the importers/Custom House Agents and follow the existing procedure before giving out of charge. For LCL cargo, the bill of entry will be initially presented to the CFS manager who will make 'stacking endorsement' indicating the location of the cargo and number of packages. The import cargo shall not be taken out of CFS without the 'out of charge' by the proper officer of Customs. The delivery of the out-of-charge cargo will be done under the supervision of Supdt., / P.O. In case of any doubt regarding identity of goods examined, the P.O. should consult the officers who have examined the goods before giving delivery.

11. If the goods are not cleared from the Container Freight Station within 30 days of the date of their landing at Cochin Port the custodian shall initiate the action as per the provisions of Sec.48 of the Customs Act, 1962. The CFS operator will make necessary arrangements for conducting auction of unclaimed/uncleared goods. In case of confiscated goods the same will be auctioned by the warehouse of the Custom House.

12. After 'Out of Charge' is given by the proper officer for a bill of entry, the CFS operator will permit clearance of the goods out of the Container Freight Station. The CFS operator will maintain a copy of Out of charge memorandum as part of his records and the same should be produced as and when demanded by the Customs.

13. Empty containers which are required to be taken out of the container Freight Station after destuffing should also be covered by a gate pass, issued by the CFS operator which is countersigned by the Supdt.of Customs (CFS). The gate pass issued by the CFS operator for removal of the empty containers should contain the serial number and other details of the containers. The Preventive Officer at the gate, shall physically check the empty containers so as to ensure that no goods are removed unauthorisedly. He should collect the gate pass and enter the particulars in the register maintained for this purpose.

14. The present procedure of filing and processing of bills of entry and payment of duty at the notified Bank / Custom House will be followed in the case of goods cleared from CFS also.

15. Any deviation in the above procedure should be brought to the notice of higher authorities immediately. The staff posted at the Container Freight Station will be under the direct control of the Asst. Commissioner of Customs (Docks).

EXPORTS

Exporters who desire to avail the facility of examination and container loading/stuffing of export cargo into the containers at the Container Freight Station are allowed to do so, subject to observance of applicable procedures and conditions applicable to examination and stuffing export goods outside port premises. The following procedure shall be adopted in this regard.

- (1) The Custodian can allow export cargo into the CFS only when exporter produces a document proving the intention to export. It can be the shipping bill filed at Custom House or export invoice / Proforma invoice in favour of buyer abroad. No export cargo will be allowed to bring cargo into CFS without any one of these documents. The CFS operator will receive the export goods and properly stack the goods for easy identification and examination of goods. He shall also keep proper account of the goods received and stuffed at the Container Freight Station.
- (2) Exporters will get the shipping bills for export goods assessed at the Custom House as usual.
- (3) The shipping Bills will be initially presented to the CFS manager for making 'stacking endorsement' indicating the location and number of packages. Then the S/B is presented to Appraiser/Examiner posted at the CFS for examination and subsequent action. The Exporter/Agent will be required to register their Shipping Bills with the E.O. / A.O in the EDI System as per the existing procedure. In case of any manual Shipping Bills the same should be registered with Appraising Staff at the Container Freight Station. A register will be maintained by the Customs Appraising Staff in the container Freight Station for registering these Shipping Bills.

4. The export cargo for which Let Export Order (LEO) is given should be separately from other export cargo, if it is not planned for immediate stuffing. Such shifting will be under the supervision of concerned P.O and the same should be endorsed in the relevant registers. Once the Let Export Order (L.E.O) is given for a consignment, stuffing can be done in the presence of P.O who will also seal the export container and endorse on the Shipping Bill. The stuffed containers will then be allowed to be moved to the Wharf. The shipping bills will be suitably endorsed and "Let Export Order" given on the shipping bills before the containers leave the Container Freight Station. The sealed containers, the shipping bills and the gate pass would be verified by the Preventive Officer at the gate of the Container Freight Station. The sealed containers containing examined cargo will then be allowed to move out for shipment to the Port. The Supdt., /P.O will maintain record of all export containers separately with seal number.

5. For the purpose of movement of loaded containers from the CFS to docks, the CFS operator will issue gate passes which will be countersigned by the Supdt. of Customs (CFS). This will contain particulars of the containers goods stuffed in them, the shipping bill particulars, vehicle/trailor number etc., The gate officer / P.O at CFS will endorse the out time of the containers at the CFS. All containers should reach docks gate within 2 hours of out-time at CFS. In case of any delay the same should be brought to the notice of the A.C (Docks) during working hours on working days for condonation after verifying the bonafideness of reasons for such delay. In other cases Supdt., in charge of the gate can condone and put up for post-facto approval of A.C(Docks). In case of any doubt / seal tampering the goods can be re-examined at Docks / Pre-stage with the permission of A.C(Docks).

6. On receipt of the sealed containers at the docks, the containers will be allowed to be exported under Customs supervision after verification of the seals without any further examination. However, Customs House reserves its right for further examination. The existing procedure for 'allow loading' and subsequent procedures will continue for the containers from this CFS also.

7. If for some reasons examination and stuffing of export cargo is not feasible/possible during office hours, exporter/ agents / CFS manager shall make an application with A.C-Gr., VII for deputing a set of officers for examination and supervision of stuffing on payment of MOT charges.

8. The Supdt., / P.O. incharge of CFS will send a weekly statement of containers allowed for export from the CFS to the container cell at Docks. The container cell will tally these details with gate records and keep it for record. In case of any discrepancy the same will be immediately reported to A.C(Docks) and A.C(Prev.,) for further necessary action.

9. If for some reasons, the goods stuffed into containers of the Container Freight Station and brought for export to the docks are not exported and if the exporters intend to take them back to town, such cargo will be allowed to be taken back to town only with permission of the A.C(Docks / CFS) after observing due formalities connected therewith. If shut out of export cargo is sought before LEO, the same will be allowed by A.C(Docks) after sample examination of the cargo and satisfying about the identity of the cargo and ruling out any attempt for violation of provisions of Customs Act.

10. The Steamer Agents who desire to take empty containers into the Container Freight Station for stuffing export cargo should get the permission from the Supdt., / P.O incharge of CFS. The Streamer Agents will produce the permission letter along with the containers to the Preventive Officer at the gate of the Container Freight Station. Preventive Officer shall check the empty containers and allow the same to be taken inside the CFS. He will make necessary entries in the register maintained by him for this purpose and retain the permission letter for records.

11. The facility of examination and stuffing of export cargo at the Container Freight Station can also be utilized for goods to be exported through other ports. In such cases, the Appraiser/Examiner will examine the goods with reference to the details given in the invoices and after sealing, the invoices would be suitably endorsed. Shipping bills will have to be filed at the Port of Shipment on the basis of the certified invoices and gate passes issued from the Container Freight Station. The exporter has to follow all other provisions related to Transshipment / consolidation.

12. This Trade Facility shall come into force with effect from 18.12.2007 and shall remain in force until further orders.

S/d

(D. D. INGTY)

Commissioner

F.No.S20/4/2007 I&B Cus.

Custom House, Cochin-9

Dated: 01.01.2008

Copy to: Commissioner's File, Joint Commissioner, All DCs & ACs

AOs/Suptd.(Prev.)/All Sections/ Notice board.

//ATTESTED//

ERA ELANGO

ASST.COMMISSIONER OF CUSTOMS